to earn 1.5 per cent of that ceiling each month, without pension reduction. That means, to begin with, that he could earn up to $75 per month without reduction in his pension, that is, $900 annually. Beyond that, up to $1,500 extra income per year his pension will be reduced by 50 cents for each extra dollar he earns, and if he earns more than $1,500 it will be reduced by $1 for every dollar he earns over that $1,500.

In considering the level of earnings at which the retirement test applies we should remember that old age security pensions will also be available from age 65. Exempt earnings of $75 a month, or $900 a year, combined with an old age security payment of $51 a month, or $612 a year, mean that a single person could have an income of $126 a month, or $1,512 a year, with no reduction in his retirement pension. A married couple both eligible for old age security could have a combined income of $177 a month, or $2,124 a year, with no reduction in the husband's retirement pension.

So far as administration of the plan is concerned I should like to say, Mr. Speaker, that a number of departments of government have been involved in drawing up the plan and will be involved in the administration of the program. We intend to avoid expensive separate facilities for collecting contributions by taking advantage of existing machinery. The contributions will be collected by the Department of National Revenue in the same way and at the same time as taxes are collected. The administration of benefits will be integrated with our existing old age security, family allowances and youth allowances administration.

The federal administration will be coordinated with that of any province having a comparable plan. In the case of Quebec these arrangements have already been worked out. If a contributor to the one plan becomes a contributor to the other plan, through a change in job or a move in residence, the earnings records of what we might call these dual contributors will be merged and only one combined pension will be paid. The act will determine which of the two jurisdictions will pay the pension and there will, of course, be financial reimbursement from the other. Arrangements of this sort are essential for the complete integration of the two plans.

The chief actuary has assumed that expenses of administration will be 0.1 per cent of contributory earnings. That is the same percentage used by the chief actuary of the old age, survivors and disability insurance program in the United States, based upon their quarter century experience in the field. This amounts to about $12 million a year, rising slowly to about $18 million in 1975. In addition to this general assessment of the magnitude of these costs, more detailed cost studies by the different departments concerned with the administration indicate that expenditures will be well within the actuaries estimates. Of course, as has been stated many times before, the administrative expenses will be a charge against the revenues of the Canada pension plan.

The bill provides a right of appeal to contributors and beneficiaries who disagree with administrative decisions. We have made an effort to establish an inexpensive and convenient review procedure. In cases where appeals from this review are desired, final determination will be made by a pensions appeals board. That board will consist of a chairman who will be a judge of the Exchequer Court of Canada or a superior court of a province, and not less than two or more than five other persons, each of whom shall be judges. Provision is made for a province administering a comparable pension plan to be able to refer cases to the same appeal board. By this means there will be not only the common benefit and contribution rate which have already been provided for, but also common interpretation of federal and provincial legislation.

The bill also contains a requirement that at least once in every five years the chief actuary of the Department of Insurance shall prepare a report based on an actuarial examination of the operation of the legislation and the state of the Canada pension plan account. This report will include estimated revenues and payments for each year in the immediately succeeding ten years, as well as other pertinent financial projections each fifth year for a period of not less than 30 years. It also directs that whenever any bill is introduced or presented to the House of Commons to amend this legislation in the future, the chief actuary must undertake an actuarial study of the effects of the proposed changes on any estimates contained in the most recent actuarial report. This information must be placed before parliament so that it can be studied in relation to the proposed amendment.

The periodic scrutiny and the suggestions and advice of a representative advisory committee are very much needed in this type of legislation as it will directly affect almost every Canadian, as a contributor or as a